

COUNCIL MEETING

FEBRUARY 6, 2019

The Council Meeting of the Council of the County of Kaua'i was called to order by Council Vice Chair Ross Kagawa at the Council Chambers, 4396 Rice Street, Suite 201, Līhu'e, Kaua'i, on Wednesday, February 6, 2019 at 8:30 a.m., after which the following Members answered the call of the roll:

Honorable Mason K. Chock
Honorable Felicia Cowden
Honorable Luke A. Evslin
Honorable KipuKai Kuali'i
Honorable Ross Kagawa

Excused: Honorable Arthur Brun
 Honorable Arryl Kaneshiro

Council Vice Chair Kagawa: Please note that Council Chair Kaneshiro is excused. We congratulate him and his wife, Gwyn, on their beautiful baby girl, Everett, and to the Calipjo and Kaneshiro family. Congratulations. Can we have the approval of the agenda?

APPROVAL OF AGENDA.

Councilmember Kuali'i moved for approval of the agenda, as circulated, seconded by Councilmember Chock.

Council Vice Chair Kagawa: It has been moved and seconded. Is there any discussion? Oh, sorry.

The motion for approval of the agenda, as circulated, was then put, and carried by a vote of 5:0:2 (*Councilmember Brun and Council Chair Kaneshiro were excused*).

Council Vice Chair Kagawa: With that, we will have the invocation now. We will take a recess from our meeting.

There being no objections, the meeting recessed at 8:31 a.m.

The meeting reconvened at 8:37 a.m., and proceeded as follows:

Council Vice Chair Kagawa: Can we go to the next item, please?

JADE K. FOUNTAIN-TANIGAWA, County Clerk: The next item are
Interviews.

INTERVIEWS:

BOARD OF WATER SUPPLY:

- Elesther Calipjo – Term ending 12/31/2021

Council Vice Chair Kagawa: Thank you. If you could introduce your name and then you may begin.

ELLEN CHING, Boards & Commissions Administrator: For the record, Ellen Ching. I am the Administrator for Boards & Commissions. I am pleased to introduce someone who is really well-known to this community for his business acumen as President of Garden Island Collision Repair and Calipjo Properties, LLC, as well as his work as a philanthropist, most notably for his dedication to the Kaua'i Philippine Cultural Center (KPCC). Although Lesther is currently serving on the Planning Commission, he is unable to devote the time and attention that he believes the Commission deserves. So I am especially pleased that he is still willing to contribute and volunteer his talent and experience to serve on the Board of Water Supply. Do you have any questions?

Council Vice Chair Kagawa: If you can introduce yourself, Lesther, and it you have a brief opening statement if you want.

ELESTHER CALIPJO: Good morning, ladies and gentlemen. I am Elesther Calipjo, a resident of Līhu'e, and married to Mila Calipjo. We have four (4) children and four (4) lovely grandchildren. I migrated from the Philippines in 1985 and learned how to speak English here. I have a strong accent, so I am sorry if you cannot understand what I am saying. Please feel free to correct me. As Ellen said, I am a small business owner. I currently own Garden Island Collision Repair; Calipjo Properties, LLC; and some other entities. I am a community-oriented person and serve on various boards and organizations. I am currently the President and Chairman of the Board of the soon to be completed KPCC, and I am currently serving on the Planning Commission.

Council Vice Chair Kagawa: Are there any questions for Lesther? Councilmember Chock.

Councilmember Chock: Thank you, Lesther. So, you are moving from the Planning Commission to the Board of Water Supply. I am glad you have been willing to recognize the commitment level and wanting to adjust. I appreciate it. I know that you are a very busy person and I hope that this does not take away from the opening of your project as we have all planned. I appreciate everything that you are doing. My only question is, as it relates to all of our water needs on the island, where your focus and attention as you see it will be, if you feel like you can address a specific area. I just wanted to give you that opportunity to share.

Mr. Calipjo: I was talking to Sherman, the outgoing Board member there, and I asked him, "What are the things that I should know when I go to the Board of Water Supply?" I served on the Planning Commission for three (3)

months and he expressed some issues that they are working on. I cannot say anything on those things until I get there. I will do my best to figure out how we can help on those issues.

Councilmember Chock: Okay. Well, we will see where it takes you. You have my support. Again, congratulations on your *mo'opuna*, your grandchild.

Mr. Calipjo: Thank you.

Council Vice Chair Kagawa: Councilmember Cowden.

Councilmember Cowden: I want to thank you, again, for all of your service to the community. I want to acknowledge that when I look at your experience running your automotive body business where that does actually have some overlap with the Board of Water Supply, even though not directly on the surface, but in attending the water meetings and just understanding it is a lot about fixing things, it is a lot about directing how the repairs happen, what goes on with that, and it is very much a business. I appreciate your business background for it and even the exposure you have had with planning definitely relates to it. I just want to ask a little bit about I know your son-in-law, Council Chair Kaneshiro, has recused himself from approving your appointment because he is your son-in-law and is the Project Manager at Grove Farm. A lot of items on the agenda have do with Grove Farm because they are a major water supplier for the biggest part of the community. How do you feel like you would be able to deal with that? Are there areas...is that a wrong question?

Council Vice Chair Kagawa: No. I was just cautioning the County Attorney that he may want to help answer this question.

Councilmember Cowden: Okay, because that is...

Mr. Calipjo: If we are talking about whether it is an ethics ruling or something, I think perhaps Matt can shed some light.

Councilmember Cowden: Yes, because that is just a challenge because you are really tight with that community. Is that more of a "Matt" question? Then, I was wanting to hear from him as well.

MATTHEW M. BRACKEN, County Attorney: Matt Bracken, County Attorney. As a Commission member, he would be an officer and employee of the County, and so he could request an opinion from the Board of Ethics on this specific thing if he has any concerns. Any officer or employee can ask for an ethics opinion. If he feels like there are any ethical implications, he can always request an opinion and rely on their analysis.

Councilmember Cowden: Alright. I was just really asking him the question, how do you follow about that? Would you be able to separate yourself sometimes when it is...because there is actually a really big issue in front of the Board of Water Supply and the Commission on Water Resource Management with the water

diversions because Grove Farm is a large water manager of our Wailua diversions? Where do you see yourself in that?

Mr. Calipjo: Like what Matt said, I have to consult with Board of Ethics before I do something because like what you said, my son-in-law is the Council Chair and works for Grove Farm.

Councilmember Cowden: Yes.

Mr. Calipjo: If I have to do that, I will be fair to everyone else.

Councilmember Cowden: Okay. Matt, if people in the community are concerned, because that has been expressed to me, can they talk to the Board of Ethics?

Mr. Bracken: Members of the community could look at the ethical rules. The Board of Ethics has rules on taking complaints, so they would just have to comply with the rules of the Board of Ethics if they have concerns. I would just direct them to the Board of Ethics rules.

Councilmember Cowden: Okay. I want to thank you for your willingness and I understand your relations is not something that is of your doing. But I do want to just acknowledge for the community, that is a big concern.

Council Vice Chair Kagawa: Councilmember Evslin.

Councilmember Evslin: I just want to thank you for your willingness to serve on a volunteer board. I do not have any specific questions for you, but I appreciate your willingness to jump in there.

Mr. Calipjo: Thank you.

Council Vice Chair Kagawa: Councilmember Kualii.

Councilmember Kualii: I do not have a question either. I know your work, I know you, I appreciate that you are willing to serve our County, and that this new Mayor has continued in asking of your service. Thank you.

Mr. Calipjo: Thank you.

Councilmember Kagawa: I just want to congratulate you. Thank you for offering your service. I think, for me, it is like ethical concerns on a small island like ours where everyone knows each other is all around us. My hope is that as you are sitting there on the Board of Water Supply, that you will make the best decisions for the entire County rather than look at personal interests. I have confidence in that. Thank you.

Mr. Calipjo: Thank you.

Council Vice Chair Kagawa: Are there any further questions? Next.

CIVIL SERVICE COMMISSION:

- Beth Ann Tokioka – Term ending 12/31/2021

Ms. Ching: For the record again, Ellen Ching, Administrator for Boards & Commissions. Beth has been the Director of Communications for the County of Kaua'i for twenty-two (22) years and now as the Communications Manager for Kaua'i Island Utility Cooperative (KIUC). Beth has been at the forefront really, of providing news and information to our community. In addition to her professional role, she continues to support many local events and organizations, and she is currently the Vice President of Kaua'i United Way. Beth currently serves on the Board of Water Supply; however, due to an increase of her professional duties and the necessary commitment and time for the Board of Water Supply, she has decided to resign. With her extensive knowledge of County operations, I am really very pleased and delighted that she is willing to continue service and devote her intellect and energies to the Civil Service Commission. Beth.

Council Vice Chair Kagawa: Thank you, Beth. Same thing. If you can introduce yourself, if you have a brief opening statement, and then we will entertain questions.

BETH ANN TOKIOKA: Thank you. Good morning, Beth Tokioka. As stated, I work for KIUC. I am the Communications Manager at KIUC. As Ellen said, I spent quite a number of years with the County of Kaua'i prior to working for KIUC. I very much appreciated, enjoyed, and was privileged to do that. During those years, for about five (5) years, I served as Director of Office of Economic Development where I supervised a team that I think at its peak was nine (9) employees. We did do a little downsizing while I was there. Through that time, I have become quite familiar with the civil service system, our Department of Human Resources, and the valuable work that they do. I am very appreciative that the new Administration allowed me to shift to a different role. Similar to Mr. Calipjo, last year, I served as the Chair of the Board of Water Supply and it was quite a heavy lift. It was a very busy year and I just felt that it is becoming increasingly difficult for me to give one hundred percent (100%) there and I do not like to commit to something unless I can give one hundred percent (100%). I am very happy to continue to serve, though, so I would like to make a contribution on the Civil Service Commission. I think as you know, our employees are our biggest investment every year in our budget. They are our most important resource and needs to be managed well. It needs to be managed consistently. We need to always be looking for improvements and if I can make a contribution there, I am very happy to do that.

Council Vice Chair Kagawa: Thank you. Are there any questions for Beth?
Councilmember Chock.

Councilmember Chock: Thank you, Council Vice Chair Kagawa. Good morning, Beth.

Ms. Tokioka:

Good morning.

Councilmember Chock: Thank you for being here and thank you for your continued service on the Civil Service Commission. You bring up an interesting point. I know that our Commissions and volunteer work takes a lot of time often. As you move out from a real busy one, Lesther is moving out from an even busier one with the Planning Commission. I just wanted to ask you, from your perspective, and I know you were the Chair, but what is the time commitment? It might take away from his babysitting time that is why. But realistically for the community to know, what do you expect for yourself in terms of time commitment as it relates to the Board of Water Supply?

Ms. Tokioka:

For the Board of Water Supply?

Councilmember Chock:

Yes.

Ms. Tokioka: The Board of Water Supply, as you know, is different than the other Boards and Commissions because it really has a higher-level of accountability because that is a semiautonomous agency.

Councilmember Chock:

That is right.

Ms. Tokioka: One of the big things every year is really developing the budget for the Department, which I do not think is done by any of the other Boards or Commissions. So that takes a lot of time during the timeframe of I would say March through June to really develop that budget, and then there are also times when there are public hearings that need to be done because rules are being set. Last year as well, which was unique, but we had a change in leadership. We had to hire a new Manager and so I was sort of the head of that process, which took some time. But it was worth it and we got a good result. Now as I look at Department of Human Resources, I think we are in that same situation where they are looking to find a new Director. I have just been through that process, so I think I can bring something to the table there. The Board of Water Supply, yes, it is not as heavy a lift as the Planning Commission, but it is a different scenario and it does require, I think, a bigger involvement because you are overseeing that entire Department.

Councilmember Chock: Thank you for that. Also, with the Civil Service Commission, is there any area that particularly interests you or what you foresee working on that you might expect you to produce?

Ms. Tokioka: I looked over the minutes of the past year and it looks like this year the big task is going to be finding a new Director and that is never an easy task, to find a well-qualified individual quite frankly, at the salaries that we pay. They are not necessarily competitive with the private sector. But I think contributing to that process and taking the Department, which has come a long way, I think is so much more robust and functional than when I first started with the County to find the right person to lead that moving forward. To me, it is always very important to be consistent and fair when you are dealing with human resources issues. I think that that is something that I will always be bringing to the table, not

that the existing Commissioners do not, but also looking for process improvements along the way. How can we improve the system? How can we streamline and save money without sacrificing service? That is the big challenge.

Councilmember Chock: Yes, absolutely.

Ms. Tokioka: But I think it is an important one. Those are the kinds of opportunities that I think I would be looking for.

Councilmember Chock: Thank you for your service heart and again, for continuing to allow us to utilize your talents and skills for this County. I appreciate it.

Ms. Tokioka: Thank you.

Council Vice Chair Kagawa: Councilmember Cowden.

Councilmember Cowden: I want to thank you for all that you have done. If I remember correctly, there has been least four (4) Mayors who have really relied on you. Do I have that right?

Ms. Tokioka: Actually, when you count them all up, there were five (5).

Councilmember Cowden: Five (5).

Ms. Tokioka: Because Gary Heu served for a couple of weeks.

Councilmember Cowden: Okay.

Ms. Tokioka: But that includes Gary Heu and Kaipo Asing who was Mayor of a short period.

Councilmember Cowden: But you were very much in there with Maryanne Kusaka, Bernard, and Bryan. So, those are the four (4) main ones, right?

Ms. Tokioka: Yes. It was first with Maryanne Kusaka, then Bryan Baptiste, and then in the interim with Kaipo, and then Bernard.

Councilmember Cowden: I am bringing that up because you have been involved through the arc of quite a bit of what is going on, so that gives me a lot of confidence in your capacity. When you are saying "Director," "We need a new Director," do you mean a new Director of Human Resources?

Ms. Tokioka: Yes.

Councilmember Cowden: Okay. Then, just for my clarification and perhaps anyone watching because people do not necessarily know what the Civil

Service Commission does, can you frame what it does and then I have two (2) short questions?

Ms. Tokioka: Sure. In fact, I printed it out from the website. But it provides a level of oversight, certainly not to the extent over the Board of Water Supply over the Department of Water. But a level of oversight over the Department of Human Resources just to ensure that the civil service laws of the State are properly implemented and enforced within the County of Kaua'i. I know that the Civil Service Commission also hears appeals at times for human resources issues that come up. It does not always rise to the level of the Commission, but if it cannot be resolved at Department-level, it will come to the Commission for resolution, and then also for hiring and/or terminating the Director of the Department.

Councilmember Cowden: We need a new Chief of Police and a new Fire Chief. Does your role have anything to do with that or is that separate from you?

Ms. Tokioka: I believe it is separate.

Councilmember Cowden: Okay.

Ms. Tokioka: The Director of the Human Resources Department would be directly involved in those efforts. I know that the Director will routinely report back to the Civil Service Commission on those efforts and the progress being made, but from what I can glean from the minutes over the last year, that is more of an informational capacity, so it would only be, I think, when the Director might ask for some help.

Councilmember Cowden: Alright. Well, I thank you. As someone who has gone to most meetings, I have not gone to Civil Service Commissions though, so I am into the as familiar, it really is been a heavy lift as has been said. People who work on our Commissions do a tremendous amount of effort. What I do have confidence in you, is that your learning curve is probably very short because you are probably overqualified for that capacity.

Council Vice Chair Kagawa, the presiding officer, relinquished Chairmanship to Councilmember Kualii.

(Council Vice Chair Kagawa was noted as not present.)

Councilmember Cowden: The level of experience that you have. Thank you.

Ms. Tokioka: Thank you.

Councilmember Kualii: Are there any other members with questions or comments?

Councilmember Evslin: I just want to say thank you. I appreciate your institutional knowledge that you are bringing to this role. I trust that you are going to do a lot of good for the County. Thank you.

Ms. Tokioka: Thank you.

Councilmember Kualii: I, too, will just add in, Beth, thank you for your service. *Mahalo, mahalo, mahalo*. Many years working with the County. You continue to serve County as a volunteer and we so appreciate that. Thank you for sharing all of your knowledge, expertise, and dedication.

Ms. Tokioka: Thank you, my pleasure.

Councilmember Kualii: *Mahalo*. I think that is all we have for Beth. Thank you.

FIRE COMMISSION:

- Jennie Heatley Chahanovich – Term ending 12/31/2021

Ms. Ching: For the past seventeen (17) years, Jen has been a leader on this island as the Chief Executive Officer (CEO) of Hawai'i Pacific Health, which is Wilcox Medical Center and Kaua'i Medical Clinic. She is known for her ability to inspire and transform regional health care facilities to meet the highest standards of quality health care with an outstanding patient experience. Most recently, Jen broke ground for a new medical clinic in Kapa'a and when completed, the clinic will be about four (4) times larger than the current facility and will provide more primary care to the community. I look forward to her contributions to the Fire Commission as an experienced leader of large and complex organizations.

Councilmember Kualii: If you would like to make a brief statement, you may at this time.

JENNIE HEATLEY CHAHANOVICH: I am Jen Chahanovich and as stated, I have been with Hawai'i Pacific Health for seventeen (17) years. I have been at Wilcox Medical Center for the last three and a half (3½) years. We live in Līhu'e. My husband is retired and our only son, I am a "helicopter mom" even though he is thirty-six (36), lives on O'ahu. I like having him close. My goal is to serve the County and the community. I make sure that my commitment outside of my day job, I can give one hundred percent (100%) before I even commit to even look at it. I am happy to be here this morning.

Councilmember Kualii: Councilmembers?

Councilmember Chock: Thank you, Councilmember Kualii. Thank you, Jen. Thank you for your continued interest in serving and I know that there is some work that needs to be done relatively soon as it relates to the Fire Commission.

(Council Vice Chair Kagawa was noted as present.)

Councilmember Chock: My question is about this idea of expansion of the fire service as it relates to the emergency service and this is definitely up your alley.

Ms. Chahanovich: Exactly.

Councilmember Chock: And within your purview. I was wondering what advocacy or what direction you see. It seems like we have this intention of moving in this direction and might have lost some speed. I just want to gain a sense from you as your role as a Commissioner, where the Commission is with that discussion?

Ms. Chahanovich: In my opinion for our County and health care, it is essential for all of us to work together. The more work we can do at the scene whether it is Fire or Emergency Medical Services (EMS) before they can get to the medical center, the better. I think collaboration is the key when it comes to Fire and health care.

Councilmember Chock: There has been some, I guess, overlap in training. Do you foresee that program continuing to move in that direction? Do you support that? Do you support there being more, I guess, of a transition to Fire towards EMS?

Ms. Chahanovich: I am not as well-versed as I should be in that. I just know what I know are the health care medical center, but I do believe that cross training, because we only have so many ambulances to cover the entire island, so the more first to the scene, the better. That is where I stand on that.

Councilmember Chock: I appreciate your service. Thank you so much for being here.

Ms. Chahanovich: Thank you.

Councilmember Kualii: Councilmember Cowden.

Councilmember Kualii returned Chairmanship to Council Vice Chair Kagawa.

Councilmember Cowden: Thank you, also. I see on here it says that you are on "KSAC." I do not know what that stands for.

Ms. Chahanovich: That is a part of the State Health Planning and Development Agency (SHPDA).

Councilmember Cowden: What is "SHPDA?"

Ms. Chahanovich: That is State Health Planning and Development Agency, and that is statewide, so I sit on that Committee for Kauai County.

Councilmember Cowden: What does "KSAC" stand for?

Ms. Chahanovich: It is Kaua'i Subarea Health Planning Council (KSAC). We meet four (4) times a year.

Councilmember Cowden: Oh, okay. Thank you. I also want to say I feel like bringing in the whole medical emergency aspect of it on the Commission definitely makes sense to me. How long have you lived on Kaua'i?

Ms. Chahanovich: Three and a half years (3½), four (4) years on June 30th.

Councilmember Cowden: Okay. But I see that you have been in Hawai'i for sixteen and a half (16½) years.

Ms. Chahanovich: Yes, I have.

Councilmember Cowden: So was that other time on O'ahu?

Ms. Chahanovich: On O'ahu. I was the CEO at Pali Momi Medical Center, our sister facility on O'ahu.

Councilmember Cowden: Okay, CEO?

Ms. Chahanovich: Yes.

Councilmember Cowden: Okay. Alright, so that gives you a pretty good understanding as well.

Ms. Chahanovich: Thank you.

Councilmember Cowden: Thank you.

Council Vice Chair Kagawa: Are there any further questions?
Councilmember Evslin.

Councilmember Evslin: Thank you for your willingness to serve also. I think it is exciting to have you specifically in this role. My understanding of the role of a rural Fire Department is very different from an inner-city fire department and the amount of service that they provide overlapping the healthcare industry and that they are often the first ones on the scene...

Ms. Chahanovich: Exactly.

Councilmember Evslin: ...have to stabilize, and the work that they are going in and sort of doing prevention-type of thing with the elderly people in their homes. It just all overlaps so well with your experience.

Ms. Chahanovich: Exactly.

Councilmember Evslin: I think you provide a lot of good to this Commission. Thank you for your willingness to serve.

Ms. Chahanovich: Thank you.

Council Vice Chair Kagawa: Councilmember Kualii.

Councilmember Kualii: I just want to add my *mahalo* as well for everything that you do at Wilcox Medical Center and in our community already, and for stepping forward and being willing to serve on our Fire Commission. *Mahalo nui loa.*

Ms. Chahanovich: Thank you.

Council Vice Chair Kagawa: Ditto.

Ms. Chahanovich: Okay.

Council Vice Chair Kagawa: Thank you. Are there any further questions? Seeing none, thank you.

Ms. Chahanovich: Thank you.

Ms. Ching: Thank you, Councilmembers.

Council Vice Chair Kagawa: Thank you, Ellen, for all of your nominees today. Very good. Thank you. Next item, please. Personal privilege, I just want to recognize the Hawai'i Technology Academy students and teachers. Welcome. Thank you for taking interest in your County government. Next item.

CONSENT CALENDAR:

C 2019-30 Communication (01/07/2019) from the Director of Finance, transmitting for Council information, the Second Quarter Statement of Equipment Purchases for Fiscal Year 2018-2019, pursuant to Section 17 of Ordinance No. B-2018-841, relating to the Operating Budget of the County of Kaua'i for Fiscal Year 2018-2019

C 2019-31 Communication (01/18/2019) from the County Attorney, transmitting for Council information, the Quarterly Report on Settled Claims filed against the County of Kaua'i from October 1, 2018 through December 31, 2018.

C 2019-32 Communication (01/24/2019) from the Director of Finance, transmitting for Council information, the Period 5 Financial Reports – Statement of Revenues, Statement of Expenditures and Encumbrances, Revenue Report, and Detailed Budget Report as of November 30, 2018, pursuant to Section 21 of Ordinance No. B-2018-841, relating to the Operating Budget of the County of Kaua'i for Fiscal Year 2018-2019.

Councilmember Kualii: I will make the motion to receive, but I had a couple of quick questions about one (1) item, the first item, C 2019-30. Can we pull that one out and receive the others, or do we just do it all together?

Council Vice Chair Kagawa: We can to it now.

Councilmember Kualii moved to remove C 2019-30 from the Consent Calendar, seconded by Councilmember Chock, and carried by a vote of 5:0:2 (*Councilmember Brun and Council Chair Kaneshiro were excused*).

Councilmember Kualii moved to receive C 2019-31 and C 2019-32 for the record, seconded by Councilmember Chock, and carried by a vote of 5:0:2 (*Councilmember Brun and Council Chair Kaneshiro were excused*).

C 2019-30 Communication (01/07/2019) from the Director of Finance, transmitting for Council information, the Second Quarter Statement of Equipment Purchases for Fiscal Year 2018-2019, pursuant to Section 17 of Ordinance No. B-2018-841, relating to the Operating Budget of the County of Kaua'i for Fiscal Year 2018-2019: Councilmember Kualii moved to receive C 2019-30 for the record, seconded by Councilmember Chock.

Council Vice Chair Kagawa: Are there any questions on C 2019-30? Councilmember Kualii.

Councilmember Kualii: I wish I had caught this earlier because I am sure I could have just sent it across to the Department of Finance, but I basically have a couple of quick questions. I can still send it over in writing because I do not expect necessarily—I see that the Director is here, but that she would necessarily have the answers because it might go back to different Departments.

Council Vice Chair Kagawa: Do you want her up now?

Councilmember Kualii: Maybe, since I am going to ask them anyway.

Council Vice Chair Kagawa: I will suspend the rules. If you can introduce yourself and then Councilmember Kualii will ask you some questions.

There being no objections, the rules were suspended.

REIKO MATSUYAMA, Director of Finance: Reiko Matsuyama, Director of Finance.

Councilmember Kualii: Hi, Director Reiko. Thank you for being here. I basically, as much as possible, want to see reports like this that come to the Council not necessarily during budget time, but that affects the budget. I think this might be one report that is generated based on a proviso that I worked on prior service on the Council. Basically on this report, I see some simple information that is missing and if it was there, I think it would be easy to just say, "Okay, everything is fine." I see this as budgetary oversight and with some of that information already included, I

would not necessarily have to be asking now. But just to point specifically, there are maybe four (4) or five (5) different examples, but I will just show one (1) or two (2). I do realize that this is equipment purchases, it is already budgeted for the year, but we are now looking at five (5) months left, four (4) or five (5) months left in the budget year in the current fiscal year, and when I look at some of these expenditures, and I do a quick look at variances spent versus spent, many of this them...not many, but four (4) or five (5) big ones have eighty to ninety percent (80-90%) unspent. There is a column in here that is called "Status and Comments" and the purpose of that column is to make a brief explanation of why that might be the case, so most of it is missing. The first example is Economic Development, and I think it is about ten (10) battery electric vehicles that are on lease because of the eighty thousand dollars (\$80,000), there is seventy thousand dollars (\$70,000) unspent or eighty-seven percent (87%). It might just be that those leases are going to be entered into next month or a couple of months from now, but it will happen in the next four (4) to five (5) months. If that is the case, then it could have just been noted in there. Otherwise, if that is not the case and not going to happen in the last four (4) or five (5) months, then we may have anticipated budget savings. I would like to know that, too. We are just about go into budget, but this information quarterly throughout the year will help the Council pay attention to the work that we do, not just during budget time, but throughout the year.

Ms. Matsuyama:

Okay.

Councilmember Kualii: That is just one (1) example. Another one with the Finance, Information Technology (IT). There is a three hundred thousand dollar (\$300,000) line item for replacement computers. There, I do not think this is right. It says, "Quantity 1," but for three hundred thousand dollars (\$300,000), it must be a lot of computers. Ninety-nine percent (99%) of that budget is not expended, so a little comment on that as well.

Ms. Matsuyama:

Okay.

Councilmember Kualii: There are a few others, but I will send it over in writing because you probably have to go back to the Departments, and maybe it is just a matter of what they put in the system so when you generate this report, it is already there.

Ms. Matsuyama:
and comments column.

Yes, it is just a matter of updating the status

Councilmember Kualii:

Yes. Okay. Thank you.

Ms. Matsuyama:

Thank you.

Council Vice Chair Kagawa:

Are there any further questions?

Councilmember Cowden: I appreciate Councilmember Kualii's questions because that is exactly what I was wondering. Do you know? For example, Transportation Agency, that is a really large amount. Wastewater. There is a

number in here that are really large amounts that are unspent. I really appreciated this type of layout. Do you know the answer on any of them?

Ms. Matsuyama: I do not. I can say that historically, it is my understanding that this percent of unspent so far through the year is kind of normal.

Councilmember Cowden: Okay.

Ms. Matsuyama: I can go back and check on each one specifically and maybe we can resend this with the status comment column filled out.

Councilmember Cowden: That would be helpful.

Ms. Matsuyama: Okay.

Councilmember Cowden: I am still on my learning curve and so when I look at it, if we are getting the new computers and when we had an IT ding on our CAFR, our Comprehensive Annual Financial Report, it just helps me to be more on top it and grasping. If it is just to be bought at the end of the year, then we know that.

Ms. Matsuyama: Yes.

Councilmember Cowden: Thank you.

Ms. Matsuyama: Okay.

Council Vice Chair Kagawa: Are there any further questions? Seeing none, thank you, Reiko. Anyone from the public wishing to speak on this item? Seeing none, meeting called back to order.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Council Vice Chair Kagawa: Is there any further discussion?

The motion to receive C 2019-30 for the record was then put, and carried by a vote of 5:0:2 (*Councilmember Brun and Council Chair Kaneshiro were excused*).

Council Vice Chair Kagawa: Motion carried. Next item, please.

COMMUNICATIONS:

C 2019-33 Communication (01/11/2019) from the Director of Economic Development, requesting Council approval to apply for, receive, and expend funds in the amount of \$70,000.00, from the Hawai'i Tourism Authority's (HTA) Community Enrichment Program, and to indemnify HTA, for technical and non-substantive guidance for Kaua'i and Ni'ihau applicants wanting to respond to Requests for Proposals (RFPs) from the HTA; assistance in promotion of programs; identification and

recruitment of applicants for their RFPs; and providing a work plan for program evaluation: Councilmember Kuali'i moved to approve C 2019-33, seconded by Councilmember Chock.

Council Vice Chair Kagawa: It has been moved and seconded to approve. Shall we have the Office of Economic Development up? Do you have questions?

Councilmember Chock: Yes, I do.

Council Vice Chair Kagawa: Okay. I will suspend the rules.

There being no objections, the rules were suspended.

Council Vice Chair Kagawa: You both can come up, introduce yourselves, and we will have some questions. Welcome.

ROBBIE MELTON, Director of Economic Development: I am Robbie Melton. I am the Director of Office of Economic Development.

NALANI BRUN, Operations Manager, Economic Development Specialist IV-Tourism: Nalani Brun, Office of Economic Development.

Council Vice Chair Kagawa: And our County's singer.

Ms. Brun: Yes.

Councilmember Chock: Official.

Council Vice Chair Kagawa: Official County singer. You do a wonderful job. Councilmember Chock, do you have a question?

Councilmember Chock: I just wanted to get a little bit more description on the funding that we are talking about here as it relates to how it might be used.

Ms. Melton: This is funding that we get from the Hawai'i Tourism Authority (HTA) to help oversee some of their programs that they do here. They do about thirty (30) programs a year on the island and so it is to provide funding for staff to help oversee the set-up, making sure that everything is in place, and is in good standing.

Councilmember Chock: Is it merely for the Administration and not for the actual program itself?

Ms. Melton: No. Oh, gosh, no. There is not enough money for that.

Councilmember Chock: I just wanted to be sure I understood. Thank you.

Council Vice Chair Kagawa: Councilmember Cowden.

Councilmember Cowden: Just for clarity for myself and any of the viewers, "HTA" means Hawai'i Tourism Authority. Can you just give us some examples of those? I do not know which projects those are.

Ms. Melton: Sure. Nalani, can you do that?

Ms. Brun: Sure. They have three (3) programs that we help them with. The first one is called the Community Enrichment Program. A lot of the bigger festivals that you see are funds from that program.

Councilmember Cowden: Like the Kaua'i Mokihana Festival?

Ms. Brun: Kaua'i Mokihana Festival, E Kanikapila Kakou.

Councilmember Cowden: Okay.

Ms. Brun: A lot of the really big ones.

Councilmember Cowden: Those are great.

Ms. Brun: Yes, those are wonderful and they are great places where visitors and residents can interact. The second one is Kūkulu Ola, which is Hawaiian Cultural program. We do not have a lot of those, but we have some. One of them that they have helped to fund the County's program to preserve Nīihau 'Ōlelo Hawai'i. So that is one of the programs. There are others. There is also Aloha 'Aina, which is basically around supporting the environment. Some of those programs like the National Tropical Botanical Garden does with their 'Ōhi'a seed banking that they are doing. There are different programs. Every year, our community comes out, apply, and HTA makes decisions. As evaluators, we sit in the room with them to make sure that they have all the information that they need and of course we are the big cheerleaders for Kaua'i, so we try to make sure we get funding.

Councilmember Cowden: Thank you very much. It is really good for me and I think for all of us to understand that the Hawaiian Tourism Authority and through visitor industry, these really beautiful programs are supported. All of the ones that you mentioned, while they might enhance the visitor experience, I think that they really do enhance our cultural strength for the residents deeply.

Ms. Brun: Yes.

Councilmember Cowden: I will be supporting that. That is great.

Council Vice Chair Kagawa: Councilmember Kualii'i.

Councilmember Kualii'i: Just a quick question. Do you have any numbers? What is the total annual funding for these three (3) programs that we manage?

Ms. Brun: I would have to get that exact number to you, but usually for the Community Enrichment Program, it is about three hundred thousand dollars (\$300,000), for the Aloha 'Āina, it is probably about less than one hundred thousand dollars (\$100,000), and same for Kūkulu Ola. Although they are very much trying to get more people to apply and we are actively doing that. That is actually part of the administration of the grants, that we need to get out there and "chum the waters" and get people to apply to them.

Councilmember Kualii'i: The awards are as small as and as big as what?

Ms. Brun: They have some that are five thousand dollars (\$5,000), but generally they are anywhere from ten thousand dollars (\$10,000) to one hundred thousand dollars (\$100,000) depending on how big the program is.

Councilmember Kualii'i: Is the application time different times in a year or one (1) time a year?

Ms. Brun: It is once a year. We kind of do it in conjunction with our request for proposal (RFP) process so that we can catch the fallouts because many organizations do not have the capacity to do a HTA grant. But they start with the County, we start to build their capacity, and then pass them on up so they continue to get funding through HTA after that.

Councilmember Kualii'i: As an example last year, how many awards were made to different entities?

Ms. Brun: Community Enrichment Program, I think we had twenty-three (23). Then we had about...it might have been twenty-five (25). I am sorry.

Councilmember Kualii'i: No problem.

Ms. Brun: We had two (2) extra and some were statewide, and then there were three (3) to four (4) of each of the other two; Aloha 'Āina and Kūkulu Ola.

Councilmember Kualii'i: Thank you very much.

Ms. Brun: Sure.

Council Vice Chair Kagawa: Councilmember Chock.

Councilmember Chock: Thank you. If community organizations are interested, what is the grant period? When is it open?

Ms. Brun: They will probably come out with the RFP again around July, if not June, June/July. Then, they will put it out for a couple of months and usually due in September, and everyone will get their notices of funding by November. They hope to be contracted before they hit because they are on calendar year. They fund from January through December.

Councilmember Chock: Thank you.

Council Vice Chair Kagawa: Councilmember Cowden.

Councilmember Cowden: Just for clarity, "RFP" means request for funding proposal?

Ms. Brun: Request for proposal.

Councilmember Cowden: So that means...just because people might be reading this and thank you, Office of Economic Development, for doing a really good job of things. The Office of Economic Development puts out a request for funding proposal and then that means they are basically announcing a grant, and people can either look online or come into the round building and go upstairs or are you downstairs?

Ms. Brun: We are upstairs in Suite 200. We will do that, and there will be a public announcement. We actually put that in the newspaper.

Councilmember Cowden: In the newspaper?

Ms. Brun: We have a huge E-mail list. We try to get anyone interested to call our Office, we will put you on our big E-mail list, and you will be the first to know when they come out.

Councilmember Cowden: Okay. So, the County is really happy to help people figure out how do their projects?

Ms. Brun: Yes.

Councilmember Cowden: Thank you.

Council Vice Chair Kagawa: Are there any further questions? I just have a couple. Does the seventy thousand dollars (\$70,000) basically go towards administrative-type of support costs?

Ms. Brun: Yes.

Council Vice Chair Kagawa: What are the typical kind of expenses that fall under that?

Ms. Brun: Because we do not hire anyone to do it, I just do it as part of my duties, we utilize that money to pay for programs that are in-house so the County does not have to. Generally, that is support for these type of programs, the Kaua'ifestivals.com website where we are trying to funnel all of the events to one (1) calendar so they are not stepping on each other, and all kinds of advertising to get people to some of these events or projects and just let people know that they are occurring. We try to use some of the funds to help programs or help things like the 'Ōhi'a seed banking by helping the Kaua'i Invasive Species Committee get the word out about the fact that you now need to scrub your shoes and that there are a lot of requirements. We mostly use the funding for programs that actually supports these programs.

Council Vice Chair Kagawa: What kind of expenses?

Ms. Brun: We actually do...

Council Vice Chair Kagawa: Do we pay for the stage or whatever that they may need for the event?

Ms. Brun: Yes, that is actually leverage money, in-kind money. Actually, what we use them for is to pay for the Kaua'ifestival.com website.

Council Vice Chair Kagawa: Okay.

Ms. Brun: So that is a cost every year, pay for the upkeep of it, and paying for people to get the word out through different channels like Facebook or social media that these things are happening and how they can participate.

Council Vice Chair Kagawa: So a lot of the costs of support and administrative is actually eaten by your Office?

Ms. Brun: Yes, but our time.

Council Vice Chair Kagawa: By the labor you have out of your budget?

Ms. Brun: Yes.

Council Vice Chair Kagawa: And you try to use the State money to help the events?

Ms. Brun: To further the programs, yes.

Council Vice Chair Kagawa: Alright. Thank you. I appreciate that. Are there any further questions, members? Seeing none, thank you.

Ms. Brun: Thank you.

Council Vice Chair Kagawa: Anyone from the public wishing to speak on this item? If not, call meeting back to order.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Council Vice Chair Kagawa: Further discussion, members?

The motion to approve C 2019-33 was then put, and carried by a vote of 5:0:2 (*Councilmember Brun and Council Chair Kaneshiro were excused*).

Council Vice Chair Kagawa: Motion carried. Next item, please.

C 2019-34 Communication (01/14/2019) from the Deputy Fire Chief, requesting Council approval, to accept a donation from the Kaua'i Lifeguard Association (KLA) of one (1) new 2019 Yamaha jet ski and trailer, valued at \$18,409.23, which will benefit the Ocean Safety Bureau and its patrol operations: Councilmember Kuali'i moved to approve C 2019-34 with thank-you letter to follow, seconded by Councilmember Chock.

Council Vice Chair Kagawa: It has been moved and seconded to approve with thank-you letter. Fire, Kaua'i Lifeguard Association (KLA), or anyone here? Another joyous occasion for us where we get free help with the benefit of KLA and all of the things that they continue to do for Kaua'i and our visitors in protecting the safety of those people at the beaches.

KILIPAKI VAUGHN, Deputy Fire Chief: May it please the Council, good morning. For the record, Kilipaki Vaughan, Deputy Fire Chief, Kaua'i Fire Department.

KALANI VIERRA, Ocean Safety Bureau: *Aloha*, good morning. Kalani Vierra, Ocean Safety Bureau, Kaua'i Fire Department.

Mr. Vaughn: KLA was not able to be here this morning. Dr. Downs is working hard in the emergency room (ER) today. We are very appreciative of KLA's partnership, support, and their donation to the County of Kaua'i. We ask that you indulge and approve this donation to continue our good service through ocean safety, especially in the Wanini area.

Council Vice Chair Kagawa: Thank you. Are there any questions? Councilmember Cowden.

Councilmember Cowden: I just had a comment. I want to thank the Kaua'i Lifeguard Association and all the myriad of donors, which are both individuals and very significantly some of the hotels and our visitor industry in what a huge difference it makes. I think we could have even probably had another life saved this week if this had been implemented already. It is wonderful that we have our new team at Wanini Beach and I just have to say that I hope our fireman/first responder that got hurt this week is doing well. Is that correct? Okay, good.

Council Vice Chair Kagawa: Are there any further questions? I just have one (1) and I do not need to know the exact number. How many jet skis do we have now for the whole lifeguard operations?

Mr. Vierra: Well, we have three (3) in service every day. The Fire Department does have a couple of their own at certain stations and then we have about three (3) backup jet skis in our storage. When we pull one (1) ski offline for service or maintenance, we make sure we have a replacement. The one that we have on backup is about five (5) years old already, so are we kind of getting outdated. When these new skis come in, we try to cycle them out and get rid of the older ones.

Council Vice Chair Kagawa: Where will these three (3) typically be every day? Is it in the districts?

Mr. Vierra: Yes. One (1) in the north district, which covers from Kē'e Beach all the way to maybe to Secret Beach/Moloa'a area; then we have one (1) in the east district from Moloa'a to Kalapakī; and then we have one (1) south from Po'ipū to Kekaha.

Council Vice Chair Kagawa: Is it a hope that we can even get more to be in service each day, perhaps going maybe Salt Pond to Kekaha?

Mr. Vierra: Yes, that is kind of in the works. With the Wanini operation, that will kind of help us out a lot because they will be kind of filling in the little gaps in between. Hopefully, we can do the same for the other districts.

Council Vice Chair Kagawa: Very good. Thank you, again. Are there any further questions, members? Seeing none, thank you. Thank you very much. Thank you, again, KLA. Anyone from the public wishing to speak on this item of a donation?

There being on one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Council Vice Chair Kagawa: Seeing none, is there further discussion, members?

The motion to approve C 2019-34 with thank-you letter to follow was then put, and carried by a vote of 5:0:2 (*Councilmember Brun and Council Chair Kaneshiro were excused*).

Council Vice Chair Kagawa: Motion carried. Next item, please.

C 2019-35 Communication (01/15/2019) from the Executive on Transportation, transmitting for Council consideration, A Bill For An Ordinance Amending Ordinance No. B-2018-842, As Amended, Relating To The Capital Budget Of The County Of Kaua'i, State Of Hawai'i, For The Fiscal Year July 1, 2018 Through June 30, 2019, By Revising The Amounts Estimated In The Development Fund, to create a mechanism to accept funds for islandwide bus stop/shelter improvements:

Councilmember Kualī'i moved to receive C 2019-35 for the record, seconded by Councilmember Chock.

Council Vice Chair Kagawa: It has been moved and seconded to receive. Members, I will give you the option of discussing it now or later. We have the Transportation Agency here. Do you have any questions now? Later is fine? Okay. Is there any discussion? Anyone from the public wishing to speak on this?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

The motion to receive C 2019-35 for the record was then put, and carried by a vote of 5:0:2 (*Councilmember Brun and Council Chair Kaneshiro were excused*).

Council Vice Chair Kagawa: Motion carried. Next item, please.

C 2019-36 Communication (01/24/2019) from Councilmember Brun and Councilmember Chock, transmitting for Council consideration, A Bill For An Ordinance Amending Section 8-1.5, Kaua'i County Code 1987, As Amended, Relating To Guest House, to allow for a kitchen in a Guest House: Councilmember Kualī'i moved to receive C 2019-36 for the record, seconded by Councilmember Chock.

Council Vice Chair Kagawa: Okay. We will do the same thing. We will take it up during the Bill. It has been moved and seconded to receive. Is there any discussion? Anyone from the public wishing to speak on this? Kurt. We will give you this opportunity since we have the Bill later. You have six (6) minutes; three (3) minutes and if anyone else who wishes to speak, then we will take a break and come back for your next three (3) minutes.

There being no objections, the rules were suspended to take public testimony.

KURT BOSSHARD: Kurt Bosshard, Wailua Homesteads, Līhu'e. I speak in favor of the Bill. What I wanted to say is that there are not a lot of opportunities for people to find a vacant property to build on. In the 1970s, we had subdivisions in Wailua Homesteads, Līhu'e, and other places around the island one right after the other. People had a background in building from the plantation days. People could buy a lot for as little as...Kīlauea, when I first came here was twelve thousand dollars (\$12,000) in the 1970s. When I moved to Wailua Homesteads, I think the lot that I bought was twenty-eight thousand dollars (\$28,000). At that time, you could get half an acre for that amount of money. Their *ohana* would come together and with the skills of generations before, they would build on those properties. They would get a kit from Hale Kaua'i or wherever and you could buy a kit for a little money, you could build it yourself, and the regulations were probably one-tenth (1/10) of what they are today in cost. I think you could get a water meter built for one hundred eighty (\$180), which was my first meter, and the installation was free, I think, in the 1970s. Now, you might pay...if you are on a State highway like Kuamo'o Road, where I live is going to be fifteen thousand dollars (\$15,000) for

installation and fifteen thousand dollars (\$15,000) for the permit itself. Just if you tap the line, just to tap the line for the asphalt to fix it, if you go deep enough into the highway is ten thousand dollars (\$10,000) as part of that, chlorination is three thousand dollars (\$3,000), septic system depending is twenty thousand dollars (\$20,000). I know, Council Vice Chair Kagawa, you have concerns about density, the imposition on other people, and the illegality that is going on which is rampant of people having units that do not have the permit. If people cannot find place to put their family, they are going to do these desperate things and then it is a question of hiring inspectors and sending out notices. I have had and appreciate the opportunity to sit on Citizens Advisory Committee to the General Plan. This is something that I have been trying to convince people of, Councilmember Evslin knows that, for all that time. You have a tough decision to make because you are adding to density on existing properties, but that is already happening because people cannot get through the regulatory...

Council Vice Chair Kagawa: Kurt, I am going to allow you your second three (3) minutes. I do not see anyone else wanting to speak on this.

Mr. Bosshard: We have regulations that you would not believe in terms of lengths of driveways, width of driveways, and paving them. You have to get a variance to put an on-demand water heater. You have to hire an architect to do that. It delays things. There are environmental certifications. I had a situation where the satellite, before I could get a building permit, it showed some toton on my pig pen in a six (6) acre *kuleana* and I had to demolish the pig pen in order to get the Residential permit. There is a point in time...regulations come before you and they are all well-intended whether it be the Fire Department or any other agency. It is well-intended and you pass them because they sound well-intended. Well, that adds more cost on to building. Here, this is to me, an automatic approval of the guest house situation, but it needs to flow on to look at are the agriculture lands that are zoned this way from 1972, is it reflective what we need today? Are those agriculture lands being used for agriculture? You have farm dwelling agreements that are required on property that will never be farmed and you make people in order to get permits whether they are going to do farming on the land when they cannot. They have got three (3) jobs. They cannot farm. They have some fruit trees maybe, a goat in the backyard, trade with neighbors, and it is a barter thing. Same with the farmworker housing. Great. No one is abusing it because no one is doing any of it because the regulations are so intense that people cannot get through it. As far as vacant land goes, I divided the number of sales on Kaua'i by gross sales for 2018 and 2019, and the average cost of vacant property on Kaua'i that at least goes through multiple listing service (MLS)—that is not all of them, but almost—was four hundred fifty thousand dollars (\$450,000) one year and seven hundred thousand dollars (\$700,000) the next year. That is the average price for vacant land. Another point I want to make, the General Plan had all of the growth going to Lihu'e and cutting us off outside, but more or less. Does Lihu'e have water? That is what I asked. Are you really going to have units for these people in next five (5) years, ten (10) years, or twenty (20) years and who is going to want to move there from our side, outside? Can they afford it? Do we have water for Lihu'e? How many water meters do we have? The Māhele is going on right now in Wailua, the Wailua watershed, which goes all the way behind Kilohana. On the west side, it took

eight (8) years to litigate who gets what water. I think it is really important for you folks to answer that question as to whether you have water for Līhu'e because if you do not, we have no housing that is being approved on Kaua'i. *Mahalo*.

Council Vice Chair Kagawa: Thank you, Kurt. Are there any questions?
Seeing none, thank you.

Mr. Bosshard: Thank you.

Council Vice Chair Kagawa: Anyone else wishing to speak on this?

Councilmember Cowden: Kurt, we are going to come back to this in a minute.

Council Vice Chair Kagawa: During the Bill.

Councilmember Cowden: During the Bill.

Council Vice Chair Kagawa: We will probably have questions for Ka'āina as well, just a few. This is only first reading. We are going to be hammering this Bill through Committee and public hearing. There is going to be a lot more opportunity, but on first reading, we kind have been just getting a brief overview of what the Bill is about and where it came from. Go ahead, Sandra. Thank you.

SANDRA HERNDON: My name is Sandra Herndon, for the record. I am so happy that this has been brought forward as a very positive step towards eliminating some very difficult situations in our community. I am sure all of you are probably as aware as most of us are that the houselessness situation on this island is so sad, it is reprehensible. I feel like this is a step forward to allowing people to have more space and more dignity for the people of our island because I have to tell you, I have two (2) friends that I know of that are that are homeless. These are strong members of the community that love this island that come out and testify and support issues. They are people that are our neighbors and do not have a place to live because of the cost of housing. This, to me, is a way to allow people a small unit, I mean, like the tiny houses. This is a first step forward and it is very important. I thank you so much for bringing it forward. I do hope that all of you vote for it. Thank you.

Council Vice Chair Kagawa: Thank you. Are there any questions? Seeing none, meeting called back to order.

There being no further testimony, the meeting was called back to order, and proceeded as follows:

Council Vice Chair Kagawa: Is there any further discussion? Go ahead.

Councilmember Cowden: Just particularly, when I see young members of our audience, I just want to acknowledge what was said by our first speaker. I know that the year I was born is half the reason I am able to be stable. I just want to honor what was said on how much we have raised the cost of housing and how

important it is. I am glad this is up and I will let the rest of my comments come in when we get to it a few items down the list, just in case he was going to leave.

Council Vice Chair Kagawa: Alright.

The motion to receive C 2019-36 for the record was then put, and carried by a vote of 5:0:2 (*Councilmember Brun and Council Chair Kaneshiro were excused*).

Council Vice Chair Kagawa: Motion carried. Next item, please.

CLAIM:

C 2019-37 Communication (01/24/2019) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Joel Same, for damage to his vehicle, pursuant to Section 23.06, Charter of the County of Kaua'i: Councilmember Kualii moved to refer C 2019-37 to the Office of the County Attorney for disposition and/or report back to the Council, seconded by Councilmember Chock.

Council Vice Chair Kagawa: It has been moved and seconded. Is there any discussion? Anyone from the public wishing to speak on this?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

The motion to refer C 2019-37 to the Office of the County Attorney for disposition and/or report back to the Council was then put, and carried by a vote of 5:0:2 (*Councilmember Brun and Council Chair Kaneshiro were excused*).

Council Vice Chair Kagawa: Motion carried. Next item, please.

BILLS FOR FIRST READING:

Proposed Draft Bill (No. 2734) – A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. B-2018-842, AS AMENDED, RELATING TO THE CAPITAL BUDGET OF THE COUNTY OF KAUAI, STATE OF HAWAII, FOR THE FISCAL YEAR JULY 1, 2018 THROUGH JUNE 30, 2019, BY REVISING THE AMOUNTS ESTIMATED IN THE DEVELOPMENT FUND (*Islandwide Bus Stops/Shelter Improvements - \$84,000.00*): Councilmember Kualii moved for passage of Proposed Draft Bill (No. 2734) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for March 13, 2019, and referred to the Committee of the Whole, seconded by Councilmember Chock.

Council Vice Chair Kagawa: It has been moved and seconded. I will suspend the rules. Can we have the Administration? Are there any questions for them, members? Councilmember Kualii, followed by Councilmember Chock.

There being no objections, the rules were suspended.

Councilmember Kualii: I just have a quick, simple question, if you could explain what it is in the sense of fourteen thousand dollar (\$14,000) versus eighty-four thousand dollars (\$84,000). What makes up the eighty-four thousand dollars (\$84,000)? Fourteen thousand dollars (\$14,000) is one amount that you are collecting in one situation, right?

JEREMY KALAWAI'A LEE, Program Specialist III: For the record, Jeremy Lee from the County Transportation Agency. Thank you for the question, Councilmember Kualii. The fourteen thousand dollars (\$14,000) is one exaction fee from one of the developers actually represented here by Kaua'i Technology Academy. Then, the rest of that balance is an open envelop, really. We have a couple of other developments that are in the queue that we have gotten approval from the Planning Department for conditions within those requests to get additional fees. The pot of money that we are asking for is larger than just what we have currently received. It is things that we have impending that we would not like to have to come back to this body to amend the total amount that account can hold.

Councilmember Kualii: So the fourteen thousand dollars (\$14,000) is there and the additional seventy thousand dollars (\$70,000) is anticipated?

Mr. Lee: That is right.

Councilmember Kualii: And you want approval to create the account to put it all in there?

Mr. Lee: Yes, that is correct.

Councilmember Kualii: The line item, I guess. Okay. Thank you.

Council Vice Chair Kagawa: Councilmember Chock.

Councilmember Chock: For the community's sake, where are we anticipating next shelters? Where we can expect them to be directed?

Mr. Lee: Excuse me, Councilmember Chock, just so I can clarify your statement. Are you asking me where are we going to expect to see shelters built from this pot of money?

Councilmember Chock: Yes.

Mr. Lee: It is a good question. Thank you. We currently do not have any engineering design plans for additional shelter locations. The exaction fees are to basically...there is a clear nexus between the type of developments that are coming across the Planning Commission and their direct impacts to traffic congestion and transit impacts. The exaction fees are to help build that pot of money based on developments to help to complete engineering design and build new structures for community use.

Councilmember Chock: Okay. So just in future...I mean, they are just that is in the future plans in how we get to that point of getting these shelters together?

Mr. Lee: Yes.

Councilmember Chock: Okay.

Mr. Lee: We currently do not have any other funding stream and this is one (1) mechanism that County has at its disposal to be able to achieve that goal.

Councilmember Chock: Alright. Just to clarify, have we completed all of our targeted bus shelters?

Mr. Lee: Yes.

Councilmember Chock: And we have no more on the list at this point?

Mr. Lee: Yes. As of this month actually, we completed all Phase I through IV of the Holo Holo 2020 vision and we have completed in excess of fifty (50) bus shelters islandwide. The latest phase was a total of nine (9) that spanned from Keālia to Waimea Town.

Councilmember Chock: Congratulations.

Mr. Lee: Yes, we have completed it.

Councilmember Chock: Thank you.

Mr. Lee: You are welcome.

Council Vice Chair Kagawa: I have a follow-up. What you are saying is these development fees that Planning is getting for us, they are not earmarked for certain locations? For example, say the development is in Līhu'e, the bus shelter moneys do not have to be spent in Līhu'e. It can be to help out in other areas as well. Is that right?

Mr. Lee: We determine based on the need. So if there is a need for the particular location, then we will consider providing extra service in that area, but the fees are generally framed as islandwide just the way our existing phases of work have been.

Council Vice Chair Kagawa: Alright. Are there any further questions?
Councilmember Evslin.

Councilmember Evslin: First off, yesterday I was driving by the Kapa'a park by the traffic circle and it was pouring rain. It was the first time that I had seen those two (2) shelters up there and it was full of people there. There was

probably fifteen (15) people between the two (2) of them and there have been so many time I have driven by those before that was up and there were people just sitting in the rain. Especially since it seems like the demographic that is using the bus in that area is often teenagers or elderly people, so it is just great to see those shelters up. Thank you. This question might be for Ka'āina, but I was wondering, what triggers the exaction from a zoning permit? What types of developments are required to pay the exaction?

Council Vice Chair Kagawa: If you can just state your name.

KA'ĀINA S. HULL, Planning Director: *Aloha*, Council Vice Chair Kagawa and members of the Council. Ka'āina Hull on behalf of the Planning Department. As far as the Transportation Agency is concerned, there is no set thresholds for specific exactions during discretionary review by the Planning Commission. What Kalawai'a and his team are essentially tasked for while working with the Office of the County Attorney is in looking at developments that come through the Planning Commission and whether or not there is a proportional nexus based on the development proposed and transportation needs and if there is a proportional nexus requiring that through the discretionary approval process. It depends on the project, essentially. I think there are definitely talks and we are in talks with the Transportation Agency as far as potentially moving forward on doing a study to look at what specific thresholds could be established, but right now in the meantime, it is a case-by-case analysis.

Councilmember Evslin: How much have exactions fees paid for the last set of built shelters? How many of that came from exaction fees?

Mr. Lee: We currently only have a small portion of money that is utilized to do shelter improvements. Majority of our funds for the last phases of work have come from State Legislature and Capital Improvement Project (CIP) funds from the County.

Councilmember Evslin: My final question is, do the exactions always go towards shelter improvements on your end or do they ever go towards improving service in any way?

Mr. Lee: No, only for shelter improvements, so bus stop improvements that are community-facing.

Councilmember Evslin: Okay. Thank you.

Council Vice Chair Kagawa: Councilmember Cowden.

Councilmember Cowden: I have two (2) questions. Just for clarification, I do not totally under what you mean by "exactions." What is an "exaction?"

Mr. Hull: When the Planning Commission reviews a project, if the project is determined to have a potential impact on infrastructure or public services, we do have the authority or the Planning Commission has the

authority to say, "in order to mitigate or beef up those services or infrastructure that you are going to impact, we can extract either actual funds or proposals from the developer to say create or build that infrastructure."

Councilmember Cowden: So an example would be Longs Drugs when they built their new place, that they had to put in the bus stop, if I remember correctly?

Mr. Hull: I do not know specifically about that case whether or not they built the bus stop themselves or whether that was done through the Agency.

Councilmember Cowden: I think they put some money out, but that is what it means, that whoever adds to the congestion, they help with private money.

Mr. Hull: Yes. Essentially, it is a credit to Kalawai'a, his team, and Celia folks looking at this is a new paradigm to build up the infrastructure. It has been a standard practice of the Department of Transportation Highways Division. When you are going to build something on the highway, you are going to put in the new lanes or the new turn lane prior to the certificate of occupancy.

Councilmember Cowden: Okay. Then Deputy Kalawai'a, you mentioned that the Hawai'i Technology Academy students had something to do with this. Did I hear that?

Mr. Lee: For clarification, I am a Program Specialist III, not a Deputy.

Councilmember Cowden: Pardon me.

Mr. Lee: I am a Program Specialist III, not a Deputy.

Councilmember Cowden: Program Specialist III. Did I hear that, that they are part of it?

Mr. Lee: They were actually the triggering event for us. Hawai'i Technology Academy was one of the permit requesters that were at the Planning Commission, and with the Planning Commission and the Planning Department's support, Hawai'i Technology Academy agreed to this condition that was a part of their Planning Commission review.

Councilmember Cowden: Okay. So do the students need the bus stop there, or are they looking at needing more bus stops?

Mr. Lee: There is bus service in that area currently. With all the other businesses that are in that area, we need to ramp-up service for that portion of the Kukui Grove business area.

Councilmember Cowden: Okay. Thank you. Thank you for participating in this.

Council Vice Chair Kagawa: Councilmember Kualii.

Councilmember Kualii: I think you might have answered it at the very beginning. The fund, which will have eighty-four thousand dollars (\$84,000) in it, those moneys are to fund future bus stops and other administrative design differences. Can you say that again?

Mr. Lee: Yes. The fund is set-up for us to keep the pots of money that can be used for infrastructure improvements for the bus system.

Councilmember Kualii: And it is pretty costly, right? The intent is for this fund to just grow so that the money is there when you determine where the need is for the next bus stop?

Mr. Lee: Yes.

Councilmember Kualii: But then you said fifty (50)—I know it is everywhere know, so that is great. The average cost for one (1) bus stop was what?

Mr. Lee: I am sorry, I do not have that number in front of me, but I am happy to get it to you.

Councilmember Kualii: It was a lot though, right, because there is engineering and site improvements right along the highway. Are most of the bus stops along the highway?

Mr. Lee: More than half of them are. Other than that, they are on the County right-of-way.

Councilmember Kualii: The only other question I had as far as thinking about future and helping our community is I have heard concerns about school bus stops. Does the County share any of our stops with others, like the Department of Education (DOE) or school buses, and is that even possible in the future?

Mr. Lee: I cannot tell you for certain how many different entities might use our bus stops. They usually do not consult with us if they do begin using them. They are within the public right-of-way and are considered public facilities. I know that there are a few, at least, DOE bus pick-up locations that are using our existing bus stops. I also know of private entities that use some of our bus stops for some of their shuttle services. It creates a safe hub for people to come on and off of vehicles, so the only time that we really would engage other entities around that topic is if there is a conflict with the timing of our service and the need to access that bus stop with the other entity that might be using it. We are usually finding really amicable solutions. They just need to acknowledge that we need to be

there also and they will usually try to time differently so that way, they are not impeding our access.

Councilmember Kualii: I hate to be really specific, but I live in Anahola and I see the two (2) nice bus stops right out there on the highway. Does any of our bus routes include a bus that comes off the highway and goes down to the beach and back up? Does it loop back through? Is there such a route?

Mr. Lee: Not in Anahola, no.

Councilmember Kualii: There is not?

Mr. Lee: No.

Councilmember Kualii: Okay.

Mr. Lee: We have been asked by the Charter school in that area though, to consider...

Councilmember Kualii: Because I was going to ask, where is the bus stop if there was? But if there is none, then there is none at this time.

Mr. Lee: No there is not any additional service other than the main highway.

Councilmember Kualii: Okay. Thank you.

Council Vice Chair Kagawa: Thank you. Are there any further questions? Seeing none, thank you. Anyone from the public wishing to speak on this?

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Council Vice Chair Kagawa: Seeing none, roll call.

The motion for passage of Proposed Draft Bill (No. 2734) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for March 13, 2019, and referred to the Committee of the Whole was then put, and carried by the following vote:

FOR PASSAGE:	Chock, Cowden, Evslin, Kualii, Kagawa	TOTAL – 5,
AGAINST PASSAGE:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Brun, Kaneshiro	TOTAL – 2,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Five (5) ayes.

Council Vice Chair Kagawa: Next item, please.

Proposed Draft Bill (No. 2735) – A BILL FOR AN ORDINANCE AMENDING SECTION 8-1.5, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO GUEST HOUSE: Councilmember Chock moved refer Bill No. 2735 to the Planning Commission, seconded by Councilmember Kualii.

Council Vice Chair Kagawa: My mistake, Kurt. It is not even first reading. It is going straight to the Planning Commission and upon receipt of the recommendations from the Planning Commission, the Council will then entertain it as a bill for first reading. It is in the embryo stage. Depending on how fast the Planning Commission moves is how fast we will move. Alright. Councilmember Chock, do you want to shed some light on this? He is our Planning Committee Chair.

Councilmember Chock: Thank you, Council Vice Chair Kagawa. Thank you for entertaining this Bill, Councilmembers. As a co-introducer with Councilmember Brun, I guess the issue of guest houses has been something on the table for some time now. It came up as it related to homestays in the past. In discussion with them, we felt it was time for us to look at it on a deeper-level and potentially pass this. You have an amendment to an existing section that really just as it reads, allows and says specifically, “may contain a kitchen, is used for dwelling purposes,” and then the addition is to “guests or tenants.” It is a fairly small amendment, but the implications, as you know, are big. We have all are well-aware of the need for housing on this island and it is not to say that I do not have some questions and challenges with this Bill, but I do think that it warrants us to look at this and come up with a solution because of the housing crisis. Essentially what we can anticipate if we start to look at allowing guest houses with kitchens, is that people will utilize them not just for transient types of stays, meaning guests who come and visit on a regular basis to our properties, but that we might encourage long-term residential use. So that is the intent of this Bill, to allow what is already on people’s property to be utilized for housing and to a large extent and what we heard from the public in today’s testimony, some of this is already currently happening. I think that it does behoove us to look at how it is we morph to where the community is going as well and provide some guidance. The kinds of questions that do come up and I am hoping that the Planning Department and Planning Commission does look at and pay attention to are certainly related to parking. It is something that I think has been a challenge in how it is that we retain, I guess, the character of our neighborhoods. There is another question that has come up for me—two (2) more. One is, how do we incentivize this towards the kind of housing occupancy that we want and that is perhaps a question that the Commission can look at, as well as, you can see here, it does include guests still. It is a guest house bill and yet, I think the question that I would like Planning Commission to answer is, what does that mean, and how do we want to define that moving forward, if at all, if it belongs there or no because I know that sour intention and I think we can get the most support for the kind of tenants that we are looking for. The need is high, I think higher than the risk. I think that is why we decided to put this forward. I think the benefits outweigh the challenges. People are doing it already. It certainly does not meet our Smart Growth principles; however, I think it warrants us to do as much as we can, given the challenges that Mr. Bosshard had talked about, which are the regulations and reasons why we are not seeing housing built today. I would ask you folks to entertain

this in order to get it to the Planning Commission to have their review and then for us to see what the outcome is from there. Thank you, Council Vice Chair Kagawa.

Council Vice Chair Kagawa: I have a question for you or Councilmember Brun.

Councilmember Chock: Okay, Councilmember Brun because he is not here.

Council Vice Chair Kagawa: Councilmember Brun...no, I was going to ask you because Councilmember Brun is not here. Councilmember Chock, did we get this language from some other County? How did we get this language? I am just curious.

Councilmember Chock: It was really simple. I think in the discussion, we looked for the simplest solution in terms of verbiage. We did talk it over with the Planning Department and then of course passed it through the County Attorney. So, it did not come from another jurisdiction.

Council Vice Chair Kagawa: The second question is, is this on any properties, not agriculture? Is it on everything?

Councilmember Chock: As long as has what is identified as a guest house, I believe it is.

Council Vice Chair Kagawa: As long as it has nine thousand (9,000) square feet?

Councilmember Cowden: Of land.

Councilmember Chock: Nine thousand (9,000) square feet of land and then not more than five hundred (500) square feet of house. We think those things kind of limit the kind of activity that we do not want, the illegal activity such as Transient Vacation Rentals (TVRs), but it could be another question as well.

Council Vice Chair Kagawa: By keeping it at five hundred (500) feet, we feel that might not suit these vacation rentals needs that are out there because they seek things probably larger than five hundred (500) square feet. Is that...

Councilmember Chock: That is the reasoning and action behind it.

Council Vice Chair Kagawa: Alright. Are there any further questions?
Councilmember Cowden.

Councilmember Cowden: Councilmember Chock, I just need a little bit more clarification on how this does eliminate the Transient Vacation Rentals because I think people for a few nights need less space than people living. How does this limit that because I do not see that in there?

Councilmember Chock: There are regulations for Transient Vacation Rentals already that are limited to the Visitor Destination Area (VDA), so anything outside of that would be illegal already. Transient Vacation Rentals are handled under a different section. If you are talking about informing it more specifically, it might be a redundancy, but I understand what your request is.

Councilmember Cowden: I understand that there are other elements. I know for myself it being really easy to do, if it was specific because our goal is long-term places for people to stay. If you did live in a visitor designated area and then you had a guest house, I think there might be a lack of clarity.

Councilmember Chock: Definitely people will do what they are not supposed to do even though we tell them not to, I agree.

Council Vice Chair Kagawa: Councilmember Evslin.

Councilmember Evslin: I have some questions for Ka'āina.

Council Vice Chair Kagawa: Okay. I will suspend the rules.

There being no objections, the rules were suspended.

Mr. Hull: Good morning, again, Council Vice Chair Kagawa and members of the Council. Ka'āina Hull, on behalf of the Planning Department.

Councilmember Evslin: Thank you. I have been conflicted by this for a while through the General Plan process. As Kurt mentioned, we did have a lot of conversations during the development of General Plan about how to think about and talk about the housing crisis versus increasing density on agriculture land. I have sort of gone back to the General Plan recently to try and get some direction for myself. On one hand, clearly we have General Plan that says we need nine thousand (9,000) more units and we have this insane housing crisis. The General Plan says we need to support agriculture on agriculture lands, partially through enabling farmworker housing. So for all of these things and plus as we all know the cost of the housing has increased by three hundred forty-five percent (345%) since the year I was born. For all of those reasons, yes, I should support it. But on the other hand, the General Plan clearly says that we should be directing growth into our towns and adjacent to our towns. My fear with adding density to agriculture land is that you increase the value of the agricultural lot and make it harder for a farmer to be profitable while paying off a mortgage and also, we are increasing density in places where we do not have infrastructure, so we are increasing, in theory, traffic and cost to the County to provide service to these areas. I wonder, how do you reconcile all of this? Can you give us some direction on how this conforms with the General Plan?

Mr. Hull: Those are a lot of good points. In speaking with the guest house property right that every property owner currently enjoys is residential properties and agricultural properties currently have the prerogative to build a guest house. Now, it is not one (1) guest house per unit like the Additional

Rental Unit (ARU) Bill was set up. It is one (1) guest house per lot of record. So regardless of what size your property is and how many dwelling units your property is entitled to, you can only build one (1) guest house and that guest house can be no larger than five hundred (500) square feet. In light of the speculative nature of how much it is going to boost up the cost of agricultural land, the Department does not anticipate too much because it is one (1) unit per lot. A lot of these agriculture parcels are very large, so this one (1) five hundred (500) square feet is going to be relatively nominal. But also in speaking, the guest houses in residential lots does indeed conform with the General Plan policies as far as infill development and directing growth more towards our urban core areas. By allowing for this additional density, it does, in fact, align with the General Plan's policies of further infill development and the Department has no problem with that. It is indeed, when talking about, okay, but it is also allowing it on agricultural lands to occur, that does somewhat go against our principles as laid out in the General Plan and just our overall guiding policies to begin or at least try to direct further residential developments and residential densities within our urban cores. Having said that, the Department recognizes that virtually every single guest house right now has a kitchen in it. These things have been illegally modified in order to accommodate for the housing needs, so any attempt to kind of roll back the clock on this, the Department's position and this is tentative. The discussion still has to happen with the Planning Commission, but the Department's position tentatively on this right now, is as far as rolling back the clock on guest houses on agriculture land, that ship has sailed and we just to recognize what is out there already. I do not mean to be too blunt, but that is kind of it in a nutshell.

Councilmember Evslin: I appreciate that. I think we have an affordable housing policy based on illegal housing, right? The only affordable rentals you defined are illegal and need to do whatever we can to try and make these places legal.

Mr. Hull: Yes, that is correct and that is why a lot of these things are happening and are illegal. I was at an event the other day and I referred to illegal rental market as "black market housing" and some people were aghast that "how dare you call us 'black market housing,'" but I was saying it from an economist's perspective. In a free market, laissez-faire enterprise system, you have supply and demand. Supply will always meet that demand, but black markets rise up when governments sets regulations that prevent the supply from meeting that demand. Now, certain black markets like the drug industry, indeed, we do not want methamphetamine having a supply to their demand. But when we are looking at housing, which there is a dire demand here on Kaua'i, if there is a black market for housing going on and there is, there are illegal units out there. It is because government regulations are restricting them from being able to provide that supply. Some reasons may be warranted, such as effects of sanitation and health, some reasons may not. Where government regulations are essentially impeding or preventing housing from being provided, it is the Department's position that we need to roll back those regulations.

Councilmember Evslin: I have a couple of follow-up questions. Again, I appreciate it. I agree with all of what you are saying. Right now, a guest house can have bathroom in it, right?

Mr. Hull: Correct.

Councilmember Evslin: Are they tying in that bathroom to the house's existing septic system?

Mr. Hull: If the bathroom was permitted via the building permit process and the Department of Health (DOH) reviewed it, yes, they would be tying into that septic system or if it was before the septic requirement, they are tying into the cesspool.

Councilmember Evslin: If you are going for a permit right now for a guest house with a bathroom, is the Water Department requiring that you pay that Facilities Reserve Charge (FRC) for the excise?

Mr. Hull: I do not believe so, no.

Councilmember Evslin: Do you know if they will require it for a guest house with a kitchen?

Mr. Hull: I believe that their interpretation would be once that kitchen is established, it would constitute a dwelling that under their interpretation, would require a FRC. Under the proposal, if...

Councilmember Cowden: What is "FRC?"

Mr. Hull: The Facilities Reserve Charge that the Water Department imposes upon applications, essentially as I understand it, to keep up the maintenance of the system itself. I was discussing this with one of the engineers today over at Public Works that indeed, if you come in for a new guest house with a kitchen under the proposal, that would of course require a zoning permit and a building permit, and that would get routed to the Water Department as well and that FRC would more than likely be placed upon the proposal. I would just also say that you might want to check specifically with the Water Department as to how they are going to apply it, but it is my understand that they will. However, in looking at guest houses as they currently exist if they came in for a kitchen and it was already permitted to say a bar sink, which are legal within guest houses today, then they got that building permit for the plumbing and whatnot. If they are just coming in to legally convert it to a kitchen, they already have a sink in and are just going to put in a microwave or a small stove that may not require any more plumbing or electrical, it would not get a building permit and therefore, would not cross the Water Department's desk. So that is kind of up in the air as to whether or not further requirements are needed in order to ensure that the FRCs are charged or not. I think reviewing this just tentatively, there are some issues as to whether or not a building permit is necessary to bring some of these after-the-facts up to compliance should the Bill be passed.

Councilmember Evslin: My last question is, so if that FRC is charged based on the increase in demand to the system, is it your opinion or the Planning Department's opinion that a guest house conversion to a kitchen is an increasing demand on the system even if it was occupied previously?

Mr. Hull: If it was already existing, I would have concerns saying that it would increase demand.

Councilmember Evslin: Alright. Thank you.

Council Vice Chair Kagawa: Councilmember Kualii.

Councilmember Kualii: Thank you. Thank you for being here, Ka'aina. In this brief Bill here, it defines "tenant" and "guest house," but did not define "guest." I am just curious about the term "guest house" to begin with. Is this something that is used throughout our planning documents and is it synonymous with Additional Dwelling Unit (ADU) and ARU, Additional Dwelling Unit and Additional Rental Unit? It seems like when you use the term "guest house" and you talk about limitations that you are trying to flip now, meaning a guest of the people in the main house and they would be eating with them and they are close. They are not paying, but part of the extended family, someone visiting from California, so that is why you did not have the kitchen and those things.

Mr. Hull: Correct.

Councilmember Kualii: It is just like another bedroom, basically.

Mr. Hull: Yes.

Councilmember Kualii: But if we now take that, which was intended to be the opposite and flip it, then the word "guest house" does not make sense to me anymore. If we do want to incentivize rentals, why are we not just call it "Additional Rental Unit" and then putting the language around that and then you would not need to define "guest" because guest is no longer part of that. I think in the definition of "tenant," you talk about an agreement between parties, landlord/owner for rental payment. I wonder if that automatically implies a length of time. What is that length of time and should it be spelled out? I know a lot of rental contracts are month-to-month, but they start off with whatever, a year or what have you.

Mr. Hull: Correct.

Councilmember Kualii: Sorry, I went on and on.

Mr. Hull: To the first point as far as what is a guest house and how does it function within our Zoning Code and zoning documents, indeed, you are correct, Councilmember Kualii. In its original inception when the Code was adopted in the early 1970s, guest house is to function as part of the main dwelling in that it functions primarily as an exterior bedroom, if you will, where someone could sleep, perhaps bathrooms were permitted with them, but at the end of

the day, there is no kitchen facility because it is not functioning separate and apart from the main dwelling. At some point, whoever is residing in there is still intermingling and cohabitating with the main dwelling's occupants. By putting a kitchen facility into any separate structure, you are essentially allowing for independent habitation separate and apart from the primary dwelling or primary dwellings. The original intent is indeed for guests, visiting families to come stay with them, but perhaps stay apart or even to a certain degree, some family members could use it, but they are not habituating separate and apart from the primary dwelling. By putting the kitchen in, you are allowing for that separated habitation to occur and I would agree that is not the original sentiment of why guest houses were created back in the early 1970s. Having said that and as I was kind of pointing out, as time has progressed and as Kaua'i and the entire State, in fact, is going through this housing crisis, these guest houses have morphed illegally, albeit, but morphed into having these kitchens with them in which they are function like ARUs and ADUs as a separate habitation unit. I think the ARU Bill as recently adopted, is very much addressing that same guest. The Additional Rental Unit Bill that was recently adopted is saying, "Let us recognize that more units for rentals for tenants are necessary and that property right essentially given by the County Council." We have thousands of guest houses out there though, already existing. I think it can enter the discussion of whether or not now that we have the ARU Bill, should we just remove this entitlement from the zoning authority and not allow guest houses, period? That is a discussion that can be had, but having like I was saying, there are thousands out there and we need to recognize how these things are functioning, and I think this Bill is attempting to do that. Tentatively, I can say...

Councilmember Kuali'i: If you were to remove it entirely, is that then just converting all the of the existing guest houses into ARUs and ADUs as long as they meet all of those different...

Mr. Hull: They could do that in the Residential district, but they could not do that in the Agriculture district. The ARU property right is only for residential properties, so it would not address...the conversion could not happen on agricultural land.

Councilmember Kuali'i: It does seem to me like it just might be a matter of semantics, but when you continue to use the word "guest house," then you are encouraging illegal TVRs and all of that just by the word.

Mr. Hull: Oh, I see.

Councilmember Kuali'i: It seems like you are trying to undo something using the old word that does not apply to the new one. It seems what this can do and like the whole thing about tiny homes with a second home on the property, right, whether the extended family is going to move into that second house or the older couple will go into the tiny home and give the bigger house to the kids with the grandkids and what have you. This is all what we need, but what we are trying to do with this is good, but I think we should get away from the use of the word "guest house" and not have to define "guest."

Mr. Hull: Yes.

Councilmember Kualii: To encourage rental, right? We want rental.

Mr. Hull: Yes, and the Department would have no problem with changing the name.

Councilmember Kualii: But you already have ARU and ADU.

Mr. Hull: We have ARU. It is just that ultimately, the Department would want some direction as far as what to do with the several thousand guest houses that we already have in the inventory and how to treat those as well.

Councilmember Kualii: Of the several thousand, how do they break up between residential and agricultural?

Mr. Hull: I do not have that statistic, but we can do a general analysis.

Councilmember Kualii: That would be important because then you are saying one (1) set of them will be allowed by the existing ARU Bill, ADU Bill. Do you call it "ARU" or "ADU?"

Mr. Hull: There is an ADU, Additional Dwelling Unit, Bill that was adopted in the 1980s and there is an ARU, Additional Rental Unit, Bill that was adopted in 2018.

Councilmember Kualii: Is the 2018 is the one for Residential, but not Agriculture?

Mr. Hull: Correct.

Councilmember Kualii: Knowing that two (2) different groups, the Residential will be allowed under the existing 2018 bill, but we still have to address the other piece. So there is work to be done.

Mr. Hull: Yes.

Councilmember Kualii: Obviously, Planning is going to work on it, but those are just some of my concerns right now.

Mr. Hull: And to your point, as I think as we have these housing discussions, it is inevitable to get into the Transient Vacation Rental discussion. We are spinning up a bill at the Planning Commission to kind of tweak the Transient Vacation Rental enforcement and enforcement all around, and so if the Council would like a briefing from the Department concerning vacation rentals, we do have a strategic plan in place of how we are going to move forward over the next year. The Department is more than willing to give that. I would ask that we possibly look at the County Attorney and how much of that can happen in Executive Session

because there are some investigation practices that I do not know if I want to do publicly, but I would be more willing to provide that vacation rental update for you folks.

Councilmember Kualii: Thank you.

Council Vice Chair Kagawa: Councilmember Cowden.

Councilmember Cowden: Thank you. I think it is a really important discussion. As you have said, so many dwellings are being used maybe outside of what is defined as legal. When we are looking at agriculture properties, is it possible when there is an outbuilding, guest house, or a separate building that can be defined to have a farming family on it because what I see is a critical problem in addressing what Councilmember Evslin said, is when you have a second house that can raise the value of the land, but if you have a second house that is defined to truly have a farmer in it, that would help to bring our smaller agricultural land back to agriculture because it is hard to be able to support at least a one million dollar (\$1,000,000) piece of property just to have a house on a couple of acres. You have to have some straight job that is going to bring in the kind of money. You cannot afford that. If there is a secondary house that is essentially for a farmer, I mean, that would perhaps address what Councilmember Evslin and many people who struggle to keep their agriculture dedication accurate. Is that possible?

Mr. Hull: It is possible to create the framework. Whether or not it is possible to create a framework that is implementable is always the question when it comes to agriculture and housing because ultimately when you are looking at saying that we want a bona fide farmer on there, the Hawai'i Revised Statutes says on agriculture land, you can only have farm dwellings. Under their definition of a "farm" one (1) or two (2) papaya trees meets "the farm." So when we have to sign farm dwelling agreements, those two (2) papaya trees under State law, meet the definition of "farm," but we know that is not really a bona fide farm. If we are going in to the discussions of making sure it is a bona fide farmer, you as the policymakers have to essentially set those thresholds. Setting those thresholds around agriculture of what constitutes a real farmer and what does not can be a little sticky, and then furthermore, should that regulatory farmer even established, what happens and what is the regulatory division supposed to do should the farmer fall on hard times when there is flooding as we experienced recently this past year or their crop does not come in and they do not to meet that threshold? Is it the policymaker's expectation that the Department then goes out and evicts these farmers out of their home for no other reason than, well, they did not meet the threshold? There is a lot of stickiness within how to set up the framework that you can provide this housing unit and to ensure that farmers are in there, but what that is, it has been navigated several times or attempted to be navigated even with the farmworker housing discussion. To a certain degree, in order to make sure that it is not being abused by people going in that are not farmers, thresholds got set fairly high that many actual farmers themselves could not make. It is sticky, but I am more than willing to work with you folks to try.

Councilmember Cowden: I thank you for acknowledging that. I noticed that there is about twelve (12) agriculture bills before the Legislature right now that I am following that are trying to massage that. I know that just because it is happening before the Legislature, does not mean that it is happening. I am very much willing to work on it. Thank you for that clarity. I know also in terms of doing the farm dwelling agreements the way we have them now written at the County-level, those are not bankable. Those are not loanable. I believe we had three (3) at least begin construction and that is it in all that time by the farm owners, not really the farm workers. Thank you.

Mr. Hull: Thank you.

Council Vice Chair Kagawa: Are there any further questions?
Councilmember Chock.

Councilmember Chock: Thank you, Ka'āina. I am just trying to get a handle on the entitlements that we are really talking about here. As it relates to ADUs, we have about what? Have we dwindled that down to about three hundred (300) or so, maybe even less than that?

Mr. Hull: The ADUs on agricultural lands?

Councilmember Chock: On agriculture land.

Mr. Hull: That are left within that timeline?

Councilmember Chock: Yes.

Mr. Hull: I do not have the exact figure off the top of my head, but we are working on a bill that was sent to us previously. I apologize, it kind of fell through the cracks essentially, during the flood event, but Council Services has alerted us to that, so Jodi Higuchi-Sayegusa who was the Deputy, is working specifically on the bill. So I know she should have those numbers right now, so we can get those numbers to you if you want.

Councilmember Chock: Okay. Ultimately, those entitlements could be added to the guest house? We could essentially see two (2) houses on these agriculture lots?

Mr. Hull: No. The ADU Ordinance explicitly prohibits or says that anyone exercising an ADU right, cannot build a guest house.

Councilmember Chock: They forgo the guest house?

Mr. Hull: It is a choice of either the guest house or the ADU.

Councilmember Chock: Okay. Then, on the Residential-level, no more entitlements as far as ARU and a guest house. Is it just two (2) additional units that what we are talking about, potentially being able to materialize?

Mr. Hull: For the guest house?

Councilmember Chock: Yes.

Mr. Hull: It is potentially a second unit that will be allowed.

Councilmember Chock: I am just trying to figure out how many units could someone actually put together on a residential unit if it is R-1 with the ARU guest house rights that we are talking about.

Mr. Hull: It depends on how large the property is and how many ARUs they would be entitled to essentially. But for every property, it is just one (1) guest house, right? Some properties enjoy the right to have five (5) dwelling units. If you have five (5) acres of R-1, they use this to do the analysis, R-1 being you can build one (1) house per acre of this residential property. So if you have five (5) acres of R-1, you have five (5) dwelling unit rights. You also now have five (5) additional rental unit rights because each additional rental unit right rise with the dwelling units, so now you have ten (10). But the guest house capability regardless of how many you can build on that property, is just one (1).

Councilmember Chock: Got it. So, eleven (11)?

Mr. Hull: Yes.

Councilmember Chock: Okay. Thank you.

Council Vice Chair Kagawa: Are there any further questions? Seeing none, thank you.

Mr. Hull: Thank you, Council.

Council Vice Chair Kagawa: The plan is that this Bill will be going to the Planning Commission, the Planning Commission will give the Council its recommendations regarding the Bill, and then the Council will decide where to go from there. If there are substantive changes that the Council wants to make, it may have to go back to the Planning Commission. We will see. We will see in what form and what kind of recommendations comes back from the Planning Commission at the time. Is there any further discussion? Anyone from the public wishing to speak on this? Seeing none, meeting called back to order.

There being on one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Council Vice Chair Kagawa: Members, is there any further discussion? I will just state that I had one (1) person that talked to me about it and he was concerned about opening up the door for more potential abuse by, I guess, new coming residents that see financial opportunity. It is there. The question posed was, does this open up the door for more abuse to occur on Kaua'i that have negative impacts on local families that are seeing their property values just skyrocket? The Council has taken some measures like the ARU Bill that tried to open up the door for more local residents to have opportunities and this is another step where Councilmember Chock and Councilmember Brun are looking into the possibility of again, addressing our shortfall of affordable housing. Again, we will see how it goes. Councilmember Chock.

Councilmember Chock: Thank you, Council Vice Chair Kagawa. I really appreciate it. I think that is the ultimate question: where do we draw the line and what can we expect in terms of getting a handle on the kind of development and growth we want? I will be requesting that briefing on the TVRs and we will see what the parameters are because I think it is an important discussion on enforcement. As we look at being able to give these entitlements, we also have to make sure that our enforcement is right alongside that because we cannot just open the door and allow this to go crazy. But I appreciate the time for this to go through its process and do what we can for our community. Thank you.

Council Vice Chair Kagawa: Thank you. Is there any further discussion? Councilmember Kualii.

Councilmember Kualii: I will just say that as far as this Bill goes, I am really appreciative of what we are trying to do. It does look like to me it is going to require a lot of work. I think it has to be about housing. We all heard in the campaign and we have been hearing for a while now how critical a problem we have with housing. The ability to allow the tiny home, if you will, micro-home, the smaller home in the backyard is really important and we need to secure this housing and maybe get away from the word "guest house," but it is important. Thank you.

Council Vice Chair Kagawa: Is there any further discussion? Seeing none, again, this is the last item before we hit Executive Session. When we hit our Executive Session, we are going to go behind closed the doors to discuss the legal matters that this County is facing. I just wanted to thank you folks, again, students. What grade are you folks? Seniors. Alright, you folks are all Seniors. Congratulations and good luck in your next steps that you take. Again, I can speak from my past, the years after high school are the most exciting and enjoyable of your life. Have fun, aim high for your goals, and you can achieve whatever you want with hard work. Congratulations and thank you for coming. You folks are always welcome to come again. Feel free to speak if you see any items. We do not hear enough from the young people, so that would be nice. Councilmember Cowden.

Councilmember Cowden: I just want to second his welcome. I believe that we are be working with you, a couple of you, next week and I really look forward to it.

Council Vice Chair Kagawa: Again, it is Hawai'i Technology Academy. Thank you, welcome, and congratulations to your school and for sending you over. I think it is much more valuable than you could get in an hour history class because you get to see real-life action here at the County and it impacts you folks like you saw. It impacts bus shelters and housing. We are just trying to find cures. We do not know all of the answers, definitely. We are just like students. We are trying to learn and find out what the best solution is because it is not always clear-cut. With that, we have a motion. We need a roll call. Planning Commission, is that just a voice vote?

Ms. Fountain-Tanigawa: Roll call.

Council Vice Chair Kagawa: Roll call?

Ms. Fountain-Tanigawa: Yes.

Council Vice Chair Kagawa: Roll call to refer to the Planning Commission.

The motion to refer Bill No. 2735 to the Planning Commission was then put, and carried by the following vote:

FOR MOTION:	Chock, Cowden, Evslin, Kualii, Kagawa	TOTAL – 5,
AGAINST MOTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Brun, Kaneshiro	TOTAL – 2,
RECUSED & NOT VOTING:	None	TOTAL – 0.

(Councilmember Chock was noted as not present.)

Ms. Fountain-Tanigawa: Five (5) ayes.

Council Vice Chair Kagawa: We have Executive Sessions. Go ahead.

EXECUTIVE SESSION:

ES-976 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), the Office of the County Attorney, requests an Executive Session with the Council to provide the Council with a briefing and request for authority to settle the case of The Hertz Corporation v. Roselyn Martin, et al., Civil No. 17-1-0137 (Fifth Circuit Court) and the case of Rosalyn Martin v. John Rego, Jr., County of Kaua'i, et al., Civil No. 18-1-0110 (Fifth Circuit Court) and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

ES-977 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), the Office of the County Attorney requests an Executive Session with the Council to provide the Council with a briefing and request for authority to settle the potential claim against Malia Emura for property damage arising from the vehicle collision that occurred on

October 3, 2017, and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

ES-978 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4) and (8), and Kaua'i County Charter Section 3.07(E), the purpose of this Executive Session is to consult with the Council's legal counsel to receive legal updates, overviews, and recommendations for purposes of obtaining Council approval to settle a workers' compensation claim. This deliberation and/or decision making involves matters that require the consideration of information that must be kept confidential due to significant privacy interests. The significant privacy interests relate to a medical history, diagnosis, condition, treatment, and evaluation. This information is protected from disclosure pursuant to State or Federal law, including the Health Insurance Portability and Accountability Act.

ES-979 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), on behalf of the Council, the Office of the County Attorney requests an Executive Session with the Council to provide the Council with a briefing, discussion, and consultation regarding the Quarterly Report on Pending and Denied Claims. This briefing and consultation involves the consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

ES-980 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), the Office of the County Attorney requests an Executive Session with the Council to obtain settlement authority of Dean Rogers' real property tax claim and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

(Councilmember Chock was noted as present.)

Councilmember Chock moved to convene in Executive Session for ES-976, ES-977, ES-978, ES-979, and ES-980, seconded by Councilmember Cowden.

Council Vice Chair Kagawa: It has been moved and seconded to go into Executive Session. Is there any discussion? Anyone from the public wishing to speak on any of the Executive Sessions?

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Council Vice Chair Kagawa: Seeing none, I would just like to say that two (2) are regarding vehicles, so for you students, make sure you drive safe and stay off of your phones, no texting. For our County, we face a lot of lawsuits and litigation regarding vehicles. I wish we had a safer way of getting around to do our jobs. Roll call.

The motion to convene in Executive Session for ES-976, ES-977, ES-978, ES-979, and ES-980 was then put, and carried by the following vote:

FOR EXECUTIVE SESSION:	Chock, Cowden, Evslin, Kualii, Kagawa	TOTAL – 5,
AGAINST EXECUTIVE SESSION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Brun, Kaneshiro	TOTAL – 2,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Five (5) ayes.

Council Vice Chair Kagawa: Hō'ike, you are done. We are going to go into Executive Session. Congratulations. Meeting adjourned. We will meet in Executive Session in ten (10) minutes.

ADJOURNMENT.

There being no further business, the Council Meeting adjourned at 10:31 a.m.

Respectfully submitted,



JADE K. FOUNTAIN-TANIGAWA
County Clerk

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